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DEPARTMENT FOR T, ISN, EAP, AND NEA/ARP

E.O. 12958: DECL: 02/07/2033  
TAGS: [PARM](#) [ETRD](#) [ETTC](#) [AE](#)  
SUBJECT: MFA ON STATUS OF INTERDICTIONS

REFS: A) STATE 27996, B) ABU DHABI 343

Classified by Charge d'Affaires Martin Quinn, reasons 1.4 (B), (C), and (D).

11. (S/NF) On March 19, Econchief met with MFA International Organizations Director Yacub Al-Hosani to discuss ref a demarche and other outstanding interdictions. Econchief informed Al-Hosani that the U.S. is requesting China's assistance in arranging for the goods to be recalled. Econchief also highlighted new information indicating that Iran's Defense Industries Organization's (DIO) foreign purchasing manager is responsible for arranging the shipment and highlighted that there is some information that we are sharing with the UAEG, but do not want to share with China. Al-Hosani expressed his appreciation for the information and asked to be informed about China's response.

12. (S/NF) Al-Hosani turned the discussion to the three other outstanding interdiction cases: YM Energy, M/V Sinotrans Qingdao, M/V Anne E. He explained that the UAEG faces two choices in dealing with these unresolved shipments. It can either confiscate the shipments or return them to their countries of origin. He stressed that the UAE is not prepared to release any of the shipments to Iran. The problem, Al-Hosani explained, is that the UAE does not have a strong enough legal case to bring to the court and have the shipments confiscated. In the pre-export control law days, he noted, the UAEG might have been able to confiscate the goods under an executive order, but this path was now closed. He did not want to be in the position of taking one of these cases to court and losing. The UAE would be forced to release the shipment and could face demands for compensation. Losing an early judicial test could also undermine the new export control law, he added. He stressed that the UAE needs to close the cases and that -- absent compelling new information -- could make the decision to return the goods to their country of origin in as early as a week.

13. (C) Al-Hosani and Econchief briefly discussed the UAE's first prosecution under the export control law (ref a). Al-Hosani said that his colleagues had e-mailed him the article while he was in Senegal, but that he did not have any details other than those in the press. He stated that he had counseled the investigators to be sure that they made no "procedural mistakes" since this was an important test case. Al-Hosani did say that the case originated with Customs and that it had sent a clear warning to the business community about doing business with Iran, since "everyone knows the goods were destined for Iran."

14. (C) Al-Hosani also asserted that the Iranians were feeling the pressure. The Iranian ambassador had met with him to complain about restrictions on trade and finance and to ask whether his office was the cause. He noted that the Iranians had complained to UAE Vice President, Prime Minister, Ruler of Dubai Sheikh Mohammed bin Rashid Al-Maktoum about the issue.

15. (S/NF) Comment: The UAEG feels the pressure to close the outstanding shipments. Al-Hosani stated his government's commitment not to let the shipments through, but stressed the need to resolve the matter soon. He indicated his willingness to inform us after the UAEG makes its decision so we could work with the recipient governments to ensure that the items were not re-exported. There are, however, a number of different agencies involved in the decision, including Customs and the security service, and it is possible that the UAEG may return the goods and not inform us, as happened with the M/V Iran Tabatabaei.

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